रजिस्ट्री सं॰ डी॰एल॰-33004 / 2003 REGISTERED NO. DL-33004/2003

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II — खण्ड 2
PART II — Section 2
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं॰ 3] नई दिल्ली, शुक्रवार, मार्च 7, 2003/ फाल्गुन 16, 1924
No. 3] NEW DELHI, FRIDAY, MARCH 7, 2003/ PHALGUNA 16, 1924

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bills were introduced in Lok Sabha on 7th March, 2003:—

BILL NO. 14 OF 2003

A Bill further to amend the Constitution of India.

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:—

Short title and commencement.

1. (1) This Act may be called the Constitution (Ninety-fifth Amendment) Act, 2003.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Insertion of new article 268A.

2. After article 268 of the Constitution, the following article shall be inserted, namely:—

Service tax levied by Union and collected and appropriated by the Union and the States.

"268A. (1) Taxes on services shall be levied by the Government of India and such tax shall be collected and appropriated by the Government of India and the States in the manner provided in clause (2):

(2) The proceeds in any financial year of any such tax levied in accordance with the provisions of clause (1) shall be—

(*a*) collected by the Government of India and the States;

(*b*) appropriated by the Government of India and the States,

in accordance with such principles of collection and appropriation as may be formulated by Parliament by law".

Amendment of article 270

3. In article 270 of the Constitution, in clause (1), for the words and figures "articles 268 and 269", the words, figures and letter "articles 268, 268A and 269" shall be substituted.

Amendment of Seventh Schedule.

4. In the Seventh Schedule to the Constitution, in **List I—Union List,** after entry 92B, the following entry shall be inserted, namely:—

"92C. Taxes on services.".

STATEMENT OF OBJECTS AND REASONS

At present, the item relating to "taxes on services" is not specifically mentioned in any entry either in the Union List or in the State List of the Seventh Schedule of the Constitution. Parliament has the exclusive power to make laws with respect to entry 97 of the Union List for any other matters not enumerated in List II or List III including any tax not mentioned in either of those Lists. In exercise of this power, the Central Government has periodically taxes certain services at the rate of five per cent. *ad valorem.*

2. The States have taken a unanimous decision to replace their existing sales tax system with the system of Value Added Tax (VAT) from the 1st April, 2003. In this context, with a view to widening their tax base, the States have suggested that they should be enabled to collect and appropriate tax on services.

3. The "service" sector accounted for 48.5% of the country's Gross Domestic Product (GDP) in the financial year 2000-2001. The role of this sector in the economy is quite significant. Expert Committees set up by the Central Government have repeatedly recommended taxation of services. On the basis of the deliberations between the State Governments and the Central Government and in view of the recommendations of various Expert Committees, it is proposed to suitably amend the Constitution to provide, (i) tax on services as a specific entry in the Union List, (ii) insertion of a new article, namely, article 268A and (iii) consequential amendment to article 270, to enable Parliament to formulate by law principles for determining the modalities of levying the said tax by the Central Government and collection of the proceeds thereof by the Central Government and the States.

4. The proposed amendment would help in significant augmentation of revenues of the States in accordance with the proposed law, and pave the way for eventual inclusion of services within the purview of State level VAT.

5. The Bill seeks to achieve the above objects.

JASWANT SINGH.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. 34/42/2001-ST dated the 19th February, 2003 from Shri Jaswant Singh, Minister of Finance and Company Affairs to the Secretary-General, Lok Sabha]

The President, having been informed of the subject matter of the proposed Bill, the constitution (Ninety-fifth Amendment) Bill, 2003 (a Bill to further amend the Constitution of India) recommends under clause (1) of the article 117 and article 274 of the Constitution, the introduction of the above Bill in Lok Sabha.

BILL NO. 13 OF 2003

A Bill to amend the Prevention of Insults to National Honour Act, 1971.

BE it enacted by Parliament in the Fifty-fourth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Prevention of Insults to National Honour (Amendment) Act, 2003.

Amendment of section 2.

2. In section 2 of the Prevention of Insults to National Honour Act, 1971 (hereinafter referred to as the principal Act), 69 of 1971.—

(*a*) for the words "otherwise brings", the words "otherwise shows disrespect to or brings" shall be substituted;

(*b*) after *Explanation* 3, the following *Explanation* shall be inserted, namely:—

'*Explanation* 4.—The disrespect to the Indian National Flag means and includes—

(*a*) a gross affront or indignity offered to the Indian National Flag; or

(*b*) dipping the Indian National Flag in salute to any person or thing; or

(*c*) flying the Indian National Flag at half-mast except on occasions on which the Indian National Flag is flown at half-mast on public buildings in accordance with the instructions issued by the Government; or

(*d*) using the Indian National Flag as a drapery in any form whatsoever except in State funerals or armed forces or other para-military forces funerals; or

(*e*) using the Indian National Flag as a portion of costume or uniform of any description or embroidering or printing it on cushions, handkerchiefs, napkins or any dress material; or

(*f*) putting any kind of inscription upon the Indian National Flag; or

(*g*) using the Indian National Flag as a receptacle for receiving, delivering or carrying anything except flower petals before the Indian National Flag is unfurled as part of celebrations on special occasions including the Republic Day or the Independence Day; or

(*h*) using the Indian National Flag as covering for a statute or a monument or a speaker's desk or a speaker's platform; or

(*i*) allowing the Indian National Flag to touch the ground or the floor or trail in water intentionally; or

(*j*) draping the Indian National Flag over the hood, top and sides or back or on a vehicle, train, boat or an aircraft or any other similar object; or

(*k*) using the Indian National Flag as a covering for a building; or

(*l*) intentionally displaying the Indian National Flag with the "saffron" down.'.

Insertion of new section 3A.

3. After section 3 of the principal Act, the following section shall be inserted, namely:—

Enhanced penalty on second and subsequent convictions.

"3A. Whoever, having already been convicted of an offence under section 2 or section 3, is again convicted of any such offence shall be punishable for the second and for every subsequent offence, with imprisonment for a term which shall not be less than one year.".

STATEMENT OF OBJECTS AND REASONS

The Prevention of Insults to National Honour Act, 1971 was enacted to punish overt acts of insult to, and attacks on, certain national symbols by burning, trampling, defiling or multilating them in the public. Cases involving disrespect to the National Flag and the National Anthem have come to the notice of the Government in the recent past. In order to prevent the recurrence of disrespect to the National Flag, it is proposed to amend (i) section 2 of Prevention of Insults to National Honour Act, 1971 to insert the word "disrespect" and an *Explanation* so as to widen the scope of the expression "insult"; and (ii) to provide for imprisonment for a term which shall not be less than one year for the second and subsequent offences under section 3 of that Act.

2. The Bill seeks to achieve the above objects.

L. K. ADVANI.

G. C. MALHOTRA,
Secretary-General.

PRINTED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI
AND PUBLISHED BY THE CONTROLLER OF PUBLICATIONS, DELHI, 2003.

MGIPMRND—8227GI—22-03-2003.